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SUBJECT: THIS RAMADAN, THINGS ARE DIFFERENT

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11. (SBU) Summary: Conversations with Morocco's business community and civil society reveal that this year's global economic crisis and the country's rising food prices are having a sobering effect on celebrating the holiest month of the Islamic year, Ramadan. Governmental efforts to manage the impact of global economic events on Morocco (reftels) have done little to assuage economic fears among the lower and middle echelons of Moroccan society. Placing further strain on household budgets is the fact that this year's Ramadan coincides with the beginning of the school year. Even the country's largest businesses are scaling down the number of representational Iftars (the nightly breaking of fast during Ramadan). This confluence of factors has led some to the conclusion that this Ramadan is possibly the most challenging in years. End Summary.

Iftars On the Decline

12. (SBU) The global economic crisis has affected Morocco on many levels, including the way in which local businesses celebrate the holiest month of the Islamic year. Even the country's most prominent corporations are scaling back on the number of representational Iftars during this year's Ramadan, an austerity measure in response to the global slump. According to Fatiha Tilioui, Director of Sales for the Hyatt Hotel in Casablanca, corporate Iftar bookings have declined 20 percent compared to 2008. Similarly, Hicham Alaoui, director of the Risk Management Office for BMCE, one of the country's largest banks, said his company is hosting smaller and more selective Iftars this year. Alaoui added that this seems to be in line with the realities faced by other actors in the banking community.

13. (SBU) As the country's largest corporations scale down on their Iftars, small local businesses such as Mohamed Aglaz's pastry shop, which have traditionally thrived during Ramadan, are also feeling the pinch. Aglaz said close to 40 percent of his sales are made during this time, but that 2009 sales have been exceptionally slow. As a result, he has scaled down his staff and personally cut down on the Iftars shared with his extended family. A well informed source in Morocco's Business Federation told Econoff, "This Ramadan, things are different."

Rising Food Prices

¶4. (SBU) In addition to the impact of the global economic crisis on Moroccan businesses, the increase in food costs has taken its toll on individual households. Rising food prices have created financial anxiety among the lower and middle echelons of Moroccan society. Adil Bennani works at a French bank in Casablanca. His pay used to be more than adequate to support his family during Ramadan. But rising food prices have changed all that, he said. Unable to finance the expenses that come with celebrating the holy month, Adil was left with no choice but to take out a USD 500 loan. "Rising prices are hitting families especially hard this year", said Adil. Raisins, prunes, and dried apricots used extensively during Ramadan rose to USD 6 per kilo from about 4. Moreover, chicken jumped to USD 5 per kilo from about 3.50 due to a recent heat wave which resulted in the death of a substantial number of poultry in Morocco.

¶5. (SBU) Adil's story has become the rule rather than the exception. In many households throughout Casablanca, families are bracing themselves for what some describe as the country's "most challenging Ramadan in years." Karim Abderrazak, general manager of ACIMA, one of Casablanca's largest supermarket chains, said that this year's Ramadan sales will likely be 15 percent below 2008 figures. According to Abderrazak, people cannot afford the delicacies that come with celebrating the holy month in this challenging time. He explained that customers are especially burdened financially, as this year Ramadan coincides with the start of a new school year, which traditionally entails additional expenses.

¶6. (SBU) COMMENT: Despite Moroccan government efforts to manage the global economic downturn and rising food prices during Ramadan, discontent and nervousness continue to affect the country's lower and middle echelons of society. This year's Ramadan has left many Moroccans feeling powerless in the face of the economic forces that shape their lives.

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